



AGENDA

Meeting of the
BOARD OF DIRECTORS
of the

SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

A Public Agency

Wednesday, December 8, 2004

10:00 AM

City of SB Public Works Building
Gebhard Public Meeting Room

630 Garden Street, Santa Barbara

SPECIAL REDEVELOPMENT AGENCY MEETING JOINT SESSION WITH SANTA BARBARA METROPOLITAN TRANSIT BOARD OF DIRECTORS

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REDEVELOPMENT AGENCY REPORTS

1. SUBJECT: SANTA BARBARA DOWNTOWN TRANSIT VILLAGE (670.08)

RECOMMENDATIONS:

That the Redevelopment Agency Board:

- A. Direct staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Agency, the Santa

- Barbara Metropolitan Transit District, the Leider Group, and State Street Properties;
- B. Appropriate \$61,600 from the Agency's Unappropriated Reserves as the Agency's percentage share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis; and
 - C. Authorize the release of a Request for Qualifications to prepare a Downtown Transit Village Planning Strategy and Feasibility Analysis.

That the Metropolitan Transit District Board of Directors:

- A. Authorize staff to execute a letter identifying deal points and the terms of participation in a Downtown Transit Village Planning Strategy and Feasibility Analysis to be entered into between the Redevelopment Agency of the City of Santa Barbara, the Santa Barbara Metropolitan Transit District, the Leider Group, and State Street Properties; and
- B. Appropriate \$14,300 as Metropolitan Transit District's share of funding for a Downtown Transit Village Planning Strategy and Feasibility Analysis.

ADJOURNMENT



CITY OF SANTA BARBARA

JOINT REDEVELOPMENT AGENCY AND METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS AGENDA REPORT

AGENDA DATE: December 8, 2004

TO: Redevelopment Agency Chairperson and Boardmembers
Metropolitan Transit District Board of Directors

FROM: Housing and Redevelopment Division
Community Development Department
MTD Transit Development Department

SUBJECT: SANTA BARBARA DOWNTOWN TRANSIT VILLAGE

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That the Metropolitan Transit District Board of Directors:

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REVIEWED BY: _____ Finance _____ Attorney

Agenda Item No. _____

EXECUTIVE SUMMARY

The Redevelopment Agency (RDA or Agency), Metropolitan Transit District (MTD), Leider Group, and State Street Properties have combined real estate interests on the northeast corner of Carrillo and Chapala Streets, in the 1000 block of Chapala Street, covering approximately 2.7 acres. The property owners have identified an opportunity to consider a joint mixed-use redevelopment project on the property. A Downtown Transit Village is envisioned for this prime gateway site, incorporating public and private parking, a mix of affordable and market-rate housing, a new MTD transit center, and various commercial uses.

RDA and MTD staffs are recommending to their respective Boards authorization to execute a letter identifying deal points and setting out the terms of participation in the exploratory phase of the project. RDA and MTD staffs also request that their respective Boards appropriate proportionate funding contributions and authorize the release of an RFQ for a multi-disciplinary consultant team to prepare a Downtown Transit Village Planning Strategy and Feasibility Analysis.

BACKGROUND

In 2003, the Santa Barbara Metropolitan Transit District approached the City concerning the need to renovate and reconfigure the MTD Transit Center located at 1020 Chapala Street. At about the same time, the City's Redevelopment Agency had prepared a feasibility study, which identified City Parking Lot #3, located adjacent to the MTD Transit Center, as a suitable site for the construction of housing over a downtown public parking lot. RDA and MTD staffs began to discuss a possible joint mixed-use project to be located on the properties held by the two agencies.

At the February 2004 RDA Capital Projects Worksession, Agency staff included a joint MTD/RDA transit-oriented development concept in the list of "Emerging Capital Projects." The RDA Board expressed interest in the project and requested that further analysis and more information be provided. The RDA Board also expressed interest in the preparation of a transit study that would consider the best location for the MTD Transit Center, with an analysis of the Railroad Depot as a possible alternative to the current downtown site.

An RDA Board Sub-Committee comprised of Mayor Blum, Boardmember Secord, and Boardmember Horton also addressed the Downtown Transit Village concept and indicated positive interest. On September 23, 2004, the Downtown Transit Village concept was presented at a joint bi-annual workload work session of the City Council and Planning Commission and received a favorable response.

The Leider Group, which acquired control of the long-term ground lease for the Greyhound Depot parcel, recently joined the conversation. The Leider Group has interest in redeveloping the parcel and is willing to consider participating in a joint redevelopment project with the RDA and MTD. Furthering the development potential in

that block, State Street Properties, the owner of the Saks Fifth Avenue parcels, has expressed an interest in including the Saks valet parking lot in the project.

This joint meeting of the MTD and RDA Boards was identified as the next step in the process of evaluating the project.

DISCUSSION

The Project Site

The Aerial Site Photograph shows that the proposed Downtown Transit Village project site covers approximately 2.7 acres of land located on the northeast corner of Carrillo and Chapala Streets (Attachment 1). The project site covers more than half of an entire City block and is comprised of the 164-space City Parking Lot #3, the MTD Transit Center, the Greyhound Bus Depot, and the Saks Fifth Avenue Valet Parking Lot. The intersection of Carrillo and Chapala Streets has seen major improvements in recent years with the construction of the Hotel Andalucia and the Ralphs Supermarket. The sprawling surface parking lots and outdated bus terminals that exist on the project site are incongruous with the recent improvements brought by private redevelopment and provide a clear opportunity to enhance this underutilized piece of prime downtown real estate.

Redevelopment Opportunities

The Downtown Transit Village Project contemplates a mixed-use development that could incorporate a new MTD Transit Center, a mix of affordable and market-rate housing, and a mix of commercial uses. The housing would be built on a podium above parking that would replace the existing number of public and valet parking spaces while providing additional spaces to support the new development. The project could also provide opportunities to include Greyhound Bus operations.

On September 22, 2004, the Community Environmental Council (CEC) submitted a letter to City Council and MTD Board Members (Attachment 2) expressing their interest in helping make the Downtown Transit Village a model of sustainable design and redevelopment. They also indicated a potential interest in having CEC's non-profit educational/demonstration center included as a component of the Downtown Transit Village Project. Following receipt of that letter, City staff met with CEC representatives and a subsequent letter, dated November 3, 2004, was submitted to outline a specific vision for CEC's participation in the project (Attachment 3).

At this time, MTD and RDA staffs envision that any future RFP seeking a developer for the Downtown Transit Village would identify green building and sustainable design as significant factors in the selection process, and it is likely that we would engage the expert guidance of the CEC in this area. As for including the CEC, or any other non-profit uses in the Downtown Transit Village Project, we will be asking our planning and

feasibility consultants to analyze a range of uses and configurations for the site, and the CEC proposal will be considered in those analyses.

MTD Transit Center

MTD currently serves more than 6,000 daily passengers at its downtown Transit Center, which opened in 1974. This facility, built on a 15,200 square foot site, was designed for transit operations that involved fewer than 20 vehicles. With nearly 100 vehicles being operated by MTD today, the facility is inefficient and inadequate for current operational needs. The needs of MTD and the community in general have evolved and it is essential that Santa Barbara's transit facilities become a better integrated part of the Central Business District (CBD).

The Downtown Transit Village project would aim to meet the following goals of MTD:

1. More efficient operations and improved traffic flow.
 - Remove the circular drive to reduce congestion.
 - Add linear bus bays including individual pull-out configurations.
 - Create a transit lane on one of the existing lanes of Chapala Street.
2. Update and improve passenger amenities.
 - Provide a clean and comfortable waiting area.
 - Automate pass distribution.
 - Improve route and schedule information.
 - Provide a more inviting customer service area.
 - Provide an inviting and aesthetically pleasing façade.
 - Provide clean and functional restroom facilities.

An improved downtown transit center would enhance the community's overall efforts to promote the use of transit and would make programs such as "My Ride" a more attractive option.

The Downtown Transit Village Planning Strategy and Feasibility Analysis

At the September 23, 2004, work session of the City Council and Planning Commission, Agency staff posed the following questions to be answered with subsequent analysis:

- Is Carrillo and Chapala the right—or the only practical location---for the MTD Transit Center?
- Should the City consider working with MTD to move the Transit Center to the Railroad Depot Lot to take advantage of future rail passenger traffic?
- Should the City consider abandoning the easterly traffic lane on Chapala to facilitate a reconfigured Transit Center?

- What would be the practical interface between transit services and potential future commuter rail service?
- Where should the Greyhound Depot be?
- How could the project economics be achieved, particularly in light of the constrained resources of the RDA and MTD?
- What should the affordability mix be of housing in the project?

A multi-disciplinary professional services team is needed for this analysis.

The recommended funding appropriations would enable staff to issue an RFQ to locate a consultant team with experience and expertise in analyzing mixed-use transit-oriented development projects and public/private partnerships. The consultant would be asked to produce a Downtown Transit Village Planning Strategy and Feasibility Analysis. The document would include a summary report and implementation strategy based on the consultant's analysis of several project components, including:

1. Site Constraints

- Zoning and land-use regulations
- Space limitations
- Alternative site configurations
- Historic resources
- Environmental issues
- Traffic impacts

2. Redevelopment Opportunities

- MTD Transit Center
 - Current and future capacity needs
 - Enhancing operational efficiency
 - Passenger safety improvements
 - Passenger amenities
- Housing
 - Podium construction
 - Affordability mixes
 - Density options
 - Interface between MTD operations and residential uses
- Commercial/Retail Components
- Public and Private Parking
- Other potential mixed-use components, such as non-profit uses and public art components

- Opportunities to incorporate green building solutions
3. Project financing
 - Participants' resource contributions and returns on investment
 - Funding strategies, including transit-oriented development grants opportunities
 - Project feasibility for various options
 4. Alternative Site Assessments and Other Transit Modes
 - Alternative downtown sites
 - Railroad depot sites
 - Commuter rail tie-in
 - Regional bus service impact

Staff is recommending that the Agency, MTD, the Leider Group, and State Street Properties participate financially in the cost of the professional services. Staff recommends that these costs be distributed in proportion to each party's land interest on the project site (see Attachment 4: Land Area Map) as set forth below:

Proportionate Contribution by Land Area
(Based on \$100,000 Consultant Contract w/ 10% Contingency)

City/RDA	Lot #3	66,500 SF	56%	\$61,600
MTD	Transit Center	15,200 SF	13%	\$14,300
Leider	Greyhound	19,700 SF	17%	\$18,700
State Street Properties	Saks Parking	<u>17,000 SF</u>	14%	<u>\$15,400</u>
		118,400 SF		\$110,000

If the cost of the study exceeds the anticipated amount, the parties would have the option to participate at the same funding proportions up to a set limit.

The Process

This joint meeting and the initiation of the Downtown Transit Village Planning Strategy and Feasibility Analysis will be the first substantive steps toward exploring a Downtown Transit Village. Following this meeting, RDA and MTD staffs will work together through the Project Implementation Process identified in Attachment 5.

CONCLUSION

Due to a convergence of needs, interests, and opportunities, the Downtown Transit Village Project is particularly appealing at this time. The City parking lot could offer an opportunity for development of a mix of affordable and market-rate housing downtown. Existing parking would be preserved and new parking added for a mixed-use

development. The site is a downtown gateway corner that would definitely benefit from redevelopment, located across from the new Hotel Andalusia and the Ralphs Supermarket. The MTD Transit Center is aging, inefficient, and in need of replacement. The Greyhound Bus Depot operation may be contemplating relocation in the near-term (1-10 years). The long-term leaseholder of the Greyhound property intends new commercial development on that prime corner and is willing to consider participating in a joint mixed-use project. And there is interest from a State Street property owner and their prime downtown retailer sub-lessee, Saks Fifth Avenue, in participating in the project.

Given this situation, RDA and MTD staffs are recommending that the Agency and MTD Boards authorize their Executive Directors to approve a letter identifying deal points and the terms of participation in producing a Downtown Transit Village Planning Strategy and Feasibility Analysis. RDA and MTD staffs recommend that the Agency and MTD Boards appropriate their identified proportionate funding contributions toward producing the Downtown Transit Village Planning Strategy and Feasibility Analysis. And finally, Agency staff is recommending that the Agency Board authorize the release of a Request for Qualifications that would enable staff to return to a joint MTD/RDA Board meeting for selection of a professional consultant team to evaluate transit needs, land use opportunities, and project financing for the Downtown Transit Village Project.

ATTACHMENTS:

1. Aerial Site Photograph
2. CEC Letter dated September 22, 2004
3. CEC Letter dated November 3, 2004
4. Land Area Map
5. Project Implementation Process

PREPARED BY: David Gustafson, Assistant Community Development
Director/Housing and Redevelopment Manager/JH

David Damiano, Manager of Transit Development &
Community Relations

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office
MTD General Manager